

CHAPTER 50
GARNISHMENTS AND LEVIES

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Chapter 50

Garnishments and Levies

Per Department of Treasury direction, ADOs are not authorized to issue checks to garnishers of EFF's earnings (i.e., child or spousal support, IRS levies, etc.). ADOs will make the deduction during the payroll process and forward the information to the appropriate Finance Center. The Finance Center will issue the check to the garnisher. Refer to Chapter 20 for the Finance Center address.

Agencies, field offices or ADO/APTs should establish a list of active garnishments and levies received by them. The Garnishment Log/List is a useful tool in the audit procedures when processing payrolls.

If there is a garnishment and tax levy, the one received the earliest is processed first (both are applied to earnings).

51 Child Support Garnishment

ADOs should follow established agency procedures in accordance with the laws of the state the Child Support Order to Withhold (Order) was issued by.

Hiring units/officials are responsible for submitting the Orders to the ADO/APT.

51.1 Child Support Deduction

Deductions are made during the data input process of EFF-PAY. Refer to Chapter 70, Section 72.1-3f.

- a. If there is a garnishment on file:
 1. Copy the Order and supporting documents.
 2. Attach to the OF-288.

EFF-PAY STANDARD OPERATING PROCEDURES

- b. Once disposable earnings (after taxes) are calculated:
 1. Compute amount to be withheld as directed on the Order. **If a Levy is the priority, subtract exempt amount from disposable earnings, and then apply garnishment deduction to adjusted disposable earnings.**
 2. Complete the Order document.

51.2 Child Support Documentation

Distribution requirements may vary from state to state. It is important to follow the instructions on the Order to ensure all requirements are met. Refer to Chapter 70, Sections 75 and 76.

- a. Make two copies of Order and supporting documentation.
- b. Forward the Order documentation and copy of Payment Voucher to Finance Center. Finance Center issues the check to the garnisher.
- c. Attach a copy to the original OF-288.
- d. Mail a copy to the EFF with the check.

52 IRS Notice of Levy on Wages, Salary and Other Income

The IRS issues a Notice of Levy on Wages, Salary, and Other Income to hiring units. Hiring units are responsible for submitting the levies to the ADO/APT for processing.

The IRS encloses Publication 1494, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income with the levy.

Levies are retained for three years plus the current year from either receipt date or levy termination date.

52.1 IRS Levy Deduction

Deductions are made during the data input process of EFF-PAY. Refer to Chapter 70, Section 72.1-3f.

- a. If there is a levy on file:
 1. Copy Part 1 to the back of a blank Part 3.
 2. Attach to the OF-288.
- b. Once disposable earnings (after taxes) is calculated:
 1. Determine the amount to be withheld (subtract exempt amount from gross).
 - a) If the EFF has returned Part 4, refer to Publication 1494 to determine the exempt amount.
 - b) If Part 4 has not been returned, use exempt amount allowed for an individual "married, filing separately", one exemption, semi-monthly.
 - c) **If a garnishment is the priority, take garnishment amount from the gross, and then apply tax levy to adjusted gross.**
 2. Complete the levy documentation.

52.2 IRS Levy Documentation

Agency specific guidance and instructions provided on the IRS Levy will ensure requirements are met. Refer to Chapter 70, Sections 75 and 76.

- a. Make two copies of levy.
- b. Forward the levy documentation and copy of Payment Voucher to Finance Center. Finance Center issues the check to the garnisher.
- c. Attach a copy to the original OF-288.
- d. Mail a copy to the EFF with the check.

53 **Legal Debt Garnishment**

EFF wages can be garnished for private debts by court order. Child support, spousal support, and IRS levies take priority over other court orders. Court orders must specify amount to be deducted. Agencies will deduct up to 60% of net salary or 65% for debts more than 12 weeks delinquent.

Refer to and follow procedures for processing an OF-288 with a Child Support Garnishment.

54 **Agency Supplemental Information**

55 **Agency Exhibits**